

Millennium Challenge Corporation

Reducing Poverty Through Growth



COUNTRY : LESOTHO
STATUS : PROPOSAL RECEIVED

LAST UPDATE : AUGUST 2006

GENERAL INFORMATION	
Population	1,797,972*
GNI Per Capita	\$960*
Location	Southern Africa
Proposed Compact Amount	\$362 million

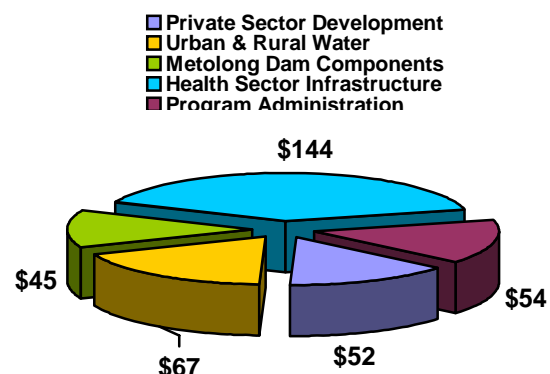
PROPOSED COMPACT GOAL

Lesotho's Compact Proposal for approximately \$362 million over five years endeavors to reduce poverty by safeguarding the health of the population to achieve the productive participation of those of working-age in the economy and to secure the productive participation of future generations. It also aims to enhance the prospects of short-term economic recovery and the long-term viability of private sector led economic growth. Proposed activities include: health care infrastructure, urban and rural water infrastructure development and private sector development.

COMPACT PROCESS	DATE	
Eligibility Notification	<input checked="" type="checkbox"/>	May 6, 2004
Original Proposal Receipt	<input checked="" type="checkbox"/>	March 1, 2005
Revised Proposal Receipt	<input checked="" type="checkbox"/>	June 29, 2006
Opportunity Memo	<input checked="" type="checkbox"/>	July 20, 2006
Congressional Notification on Compact Negotiations		
Investment Memo		
Board Approval		
Compact Signing		
Entry into Force		
Initial Disbursement		

PROPOSED KEY SECTORS

(IN MILLIONS)



UPDATE ON PROGRESS

- Lesotho submitted a revised proposal to the Millennium Challenge Corporation on June 29, 2006.
- In May 2005, MCC approved up to \$1.4 million to assist the Government of Lesotho with Compact development in several areas: policy reforms to improve the business climate, baseline data collection and technical preparatory work in the water sector.
- Through consultations with stakeholders from civil society, the private sector, the Government of Lesotho identified the following priorities for inclusion in the Compact development policy reform program: strengthening the country's legal sector, enhancing the capacity of private sector businesses (small, medium and micro enterprises) and improving upon current policies surrounding land title. Reforms in these areas will likely enhance the business and investment climate in Lesotho and remove many of the key impediments to sustained economic growth. MCC is providing technical assistance to the Government of Lesotho to develop the policy reform programs to be considered for inclusion in a Compact.

* "World Development Indicators", World Bank, 2005